

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2269 - SB 2274**

April 3, 2009

**SUMMARY OF BILL:** Creates a procedure in which a denied insurance claim would be reconsidered by an independent, unbiased third party as a pre-adjudication measure through the Department of Commerce and Insurance. Requires all requests for external reviews to be made in writing to the Department. The external review can only be requested after all internal grievance processes with the health insurance carrier have been exhausted. Establishes the procedure for standard external reviews which include filing procedures and timelines for the process. Establishes criteria that health insurance carriers must consider in determining whether the request is eligible for external review.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

**Increase Local Expenditures – Not Significant**

**Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): The proposed legislation would result in an increase in the administrative costs of health insurance plans. Any cost is estimated to be not significant and will not result in a significant increase in health insurance premiums.**

Assumptions:

- The Department of Commerce and Insurance will be responsible for the administration and enforcement of the provisions within the proposed legislation.
- The Department will be required to receive and assign all requests for external review with an approved independent review organizations and review all appeals of adverse determinations by a health carrier as to whether a case qualifies to go to external review.

- The Department will promulgate rules to carry out some of its requirements including establishing the procedure for requesting an external review.
- The Department will collect an annual report from both the health carriers and the independent review organizations.
- According to the Department, none of these additional responsibilities will result in any increased expenditures. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- The TennCare program and the State Employee, Local Government, and Local Education Health Plans will not be impacted by the provisions of the bill.
- Any local government that does not opt into the state sponsored plans may incur an increase in administrative costs. Any cost can be accommodated within existing resources.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml